

## REMARKS

Reconsideration of this application as amended is respectfully requested.

In the Office Action, claims 1-25 were pending and rejected. In this response, no claim has been canceled. Claims 1, 16, 19, and 25 have been amended. The Abstract of the present application has been amended. No new matter has been added.

The abstract of the disclosure is rejected to because it contains more than 150 words. In view of the foregoing amendments, it is respectfully submitted that the rejection has been overcome.

Claims 1-25 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In view of the foregoing amendments, it is respectfully submitted that the rejection has been overcome.

Claims 1-6, 8-18, 19-25 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In view of the foregoing amendments, it is respectfully submitted that the rejections have been overcome. As shown in the amended claims, the present invention as claimed is related to an online auction handled by a computer server over a network, which is clearly falls within a patentable subject matter. In addition, the present invention as claimed involves a computer's server's complicated processes that a human would not be able to fulfill and produces useful and concrete results beyond a computer system. Therefore, claims 1-25 as amended include patentable subject matters.

Claims 1-5, 7-15, 17-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over an article entitled VIRGINIA POWER TO SEEK 1,750 MW MORE THROUGH

COMPETITIVE BIDDING, Electric Utility Week, pg 15, March 14, 1998 (hereafter “Competitive Bidding Article”).

In view of the foregoing amendments, it is respectfully submitted that claims 1-25 as amended include limitations that are not disclosed or suggested by Competitive Bidding Article. Specifically, independent claim 1 recites as follows:

1. A method of transformational bidding with rebates and discounts in an online auction performed by a computer server, the method comprising:
  - receiving a first bid from a first bidder and a second bid from a second bidder over a network, wherein at least one of a rebate and discount is offered with at least one of the first and second bids, and wherein the first and second bidders are seller bidders;
  - in response to the first and second bids, assigning a first value and a first unit of measurement for the first bid and a second value and second unit of measurement for the second bid using in part the at least one of a rebate and discount offered with at least one of the first and second bids; and
  - transforming the first and second values to third and fourth values, respectively, having a standard unit of measurement, the third and fourth values representing the first and second bids of the first and second bidders in view of the standard unit of measurement.

(Emphasis added)

Independent claim 1 is related to an online auction which is handled by a computer server. The bidding values received from different bidders (e.g., seller bidders) over a network may include a rebate or discount. When transformation is performed from bidding values to values in view of a buyer, the rebates and discounts are taken into considerations. It is respectfully submitted that the above limitations are not disclosed or suggested by Competitive Bidding Article.

Rather, Competitive Bidding Article discloses an announcement that “power generation will be provided through a competitive bidding process” (see second paragraph of page 1 of Competitive Bidding Article). There is no disclosure or suggestion within Competitive Bidding Article that the bidding process is part of online auction over a network

and handled by a computer server. One with ordinary skill in the art would not, based on the teachings of Competitive Bidding Article, arrive at the present invention as claimed. Such a suggestion can only be found based on the impermissible hindsight of Applicant's own disclose.

Although the Examiner acknowledged that Competitive Bidding Article fails to disclose a rebate and discount within the bidding, the Examiner maintained that an alleged "Official Notice" was taken for such limitations (see 12/6/2004 Office Action, page 10). Applicant respectfully disagrees and requests the Examiner to provide such references to support the Examiner's finding. It is respectfully submitted that the rebate and discount used in a bid of an online auction are not obvious at the time of the invention as claimed conceived, particularly, in a seller bidding type of an online auction.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). (Manual of Patent Examining Procedure (MPEP) ¶ 2143.03). It is respectfully submitted that Competitive Bidding Article fails to disclose and suggest each and every limitations set forth above. Therefore, independent claim 1 is patentable over Competitive Bidding Article.

Similarly, independent claims 19 and 25 include limitations similar to those recited in claim 1. Thus, for the reasons similar to those discussed above, independent claims 19 and 25 are patentable over the cited reference.

Given that the rest of the claims depend from one of the above independent claims, at least for the reasons similar to those discussed above, it is respectfully submitted that the rest of the claims are patentable over the cited reference.

In addition, with respect to claims 5, 7, 19, and 25, the Examiner used the alleged "official notice" to reject the above claims without providing supports for the findings (see 12/6/2004 Office Action, pages 12 and 15). Applicant respectfully disagrees and requests the Examiner to provide supports for the findings.

Furthermore, with respect to claim 6, the Examiner stated:

"Claim 6: not rejected over a prior art."

(12/6/2004 Office Action, page 12).

It is unclear what the Examiner means and Applicant assumes that claim 6 is patentable.

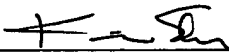
In view of the foregoing, Applicant respectfully submits the present application is now in condition for allowance. If the Examiner believes a telephone conference would expedite or assist in the allowance of the present application, the Examiner is invited to call the undersigned attorney at (408) 720-8300.

Please charge Deposit Account No. 02-2666 for any shortage of fees in connection with this response.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN

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